MECC

THE MARKET PLACE

A-160
For the Apple II Series Computer
Grades 3-9

Three small-business simulations introduce youngsters to basic concepts of economics.

no. A-160

the market place

instructional computing courseware
for the **apple® II** computer

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DESCRIPTION

SELL APPLES is the first in the series of The Market Place programs. In SELL APPLES, students first set up their own apple stand and then determine the day's price for their apples. The object of the program is to discover the "best price"--that which yields the highest income.

After each day's sales, a cumulative report is displayed. Students are asked to determine the best price, to date, for apples. A graph of sales also helps them identify sales trends. Calculations are demonstrated and reinforced in a step-by-step fashion, helping students grasp the relationships among selling price, the number of apples sold, and income. The program also asks students to predict the rise and fall of sales when they change the price of apples.

Students have extended opportunity to discover the best price. If they do not find it during the first week of play, they can continue for up to an additional three weeks. SELL APPLES will continually challenge students to find the best price since a new best price is set each time they sit down to use the program.

Curriculum Area:	Social Science
Subject:	Economics
Topic:	Price, Income
Type:	Simulation
Grade Range:	3-6
Classroom Use:	Individual, Small Group

LEARNING OBJECTIVES

After using this courseware, the student should be able to:

- define "price" and "income";
- discover the relationship between price and quantity sold;
- determine the relationships among price, quantity sold, and income;
- develop a strategy for determining the most desirable selling price;
- interpret a bar graph to determine trends.

PROGRAM PREVIEW

SELL APPLES is the first of three simulations about businesses in The Market Place. To use it, select SELL APPLES from the main menu and press Return (Figure 1). Instructions are available that describe the purpose of the program and define the terms it uses (Figure 2).

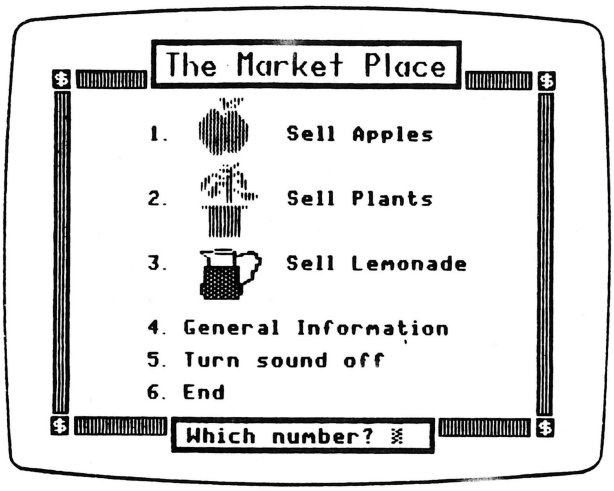


Figure 1

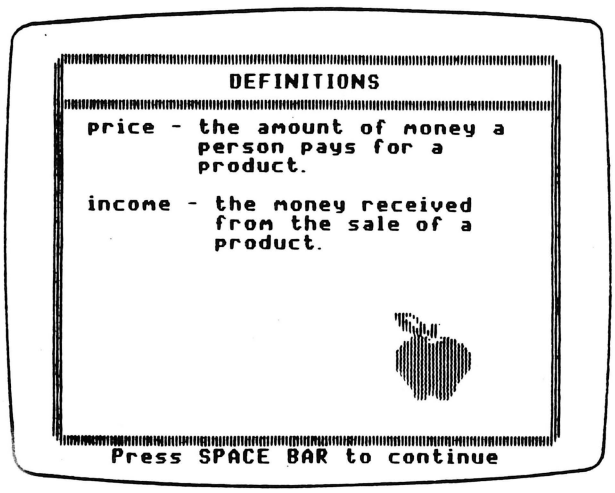

DEFINITIONS
price - the amount of money a person pays for a product.
income - the money received from the sale of a product.
Press SPACE BAR to continue

Figure 2

After reading all of the instructions, students will be asked to enter their name and to set a price for the apples they will sell that day (Figure 3). A high price, such as 50 cents per apple, will earn them a lot of money for each apple, but they probably will not sell many apples. At a low price, such as 1 cent per apple, they will probably sell many apples, but they will not make much money. The best price for the apples will lie somewhere between the two extremes. At the end of the day, students are provided with a report of the number of apples sold (Figure 4).

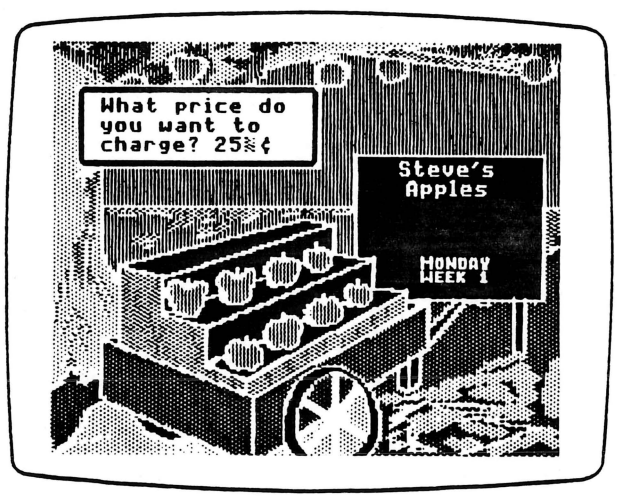


Figure 3

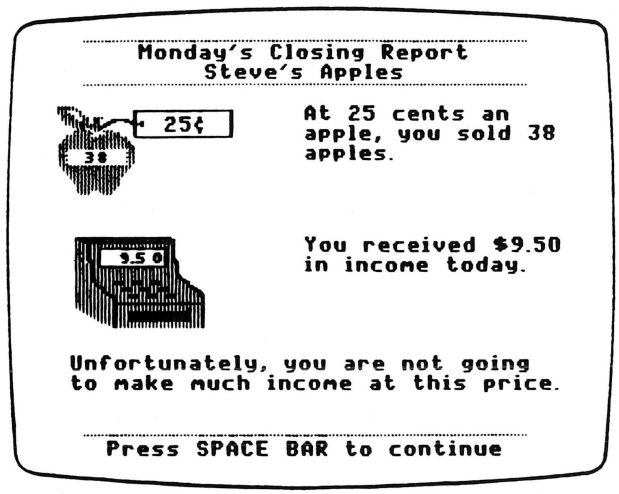

Monday's Closing Report
Steve's Apples
25¢
38
At 25 cents an apple, you sold 38 apples.
9.50
You received $9.50 in income today.
Unfortunately, you are not going to make much income at this price.
Press SPACE BAR to continue

Figure 4

PROGRAM PREVIEW (continued)

Students are next asked to help complete a sales report (Figure 5). After setting the price for apples for the next day, the students predict the effect the change in price will have on income (Figure 6).

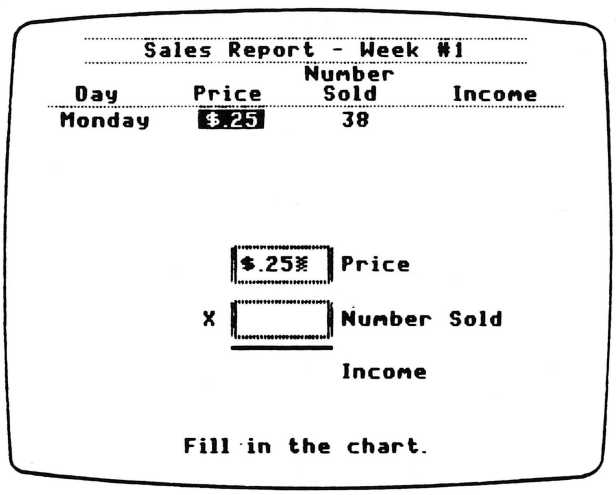


Figure 5

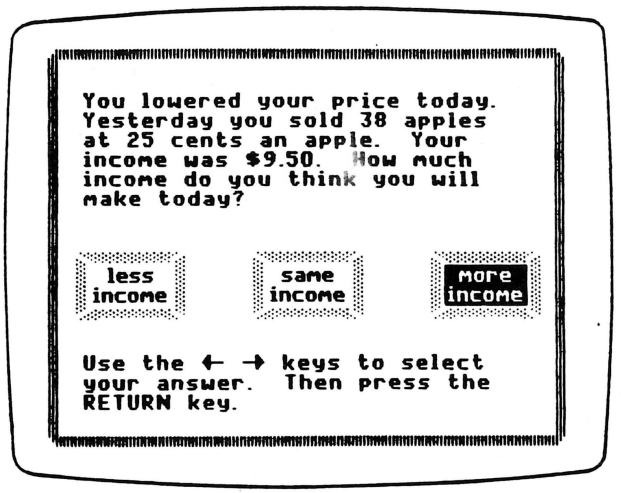

You lowered your price today. Yesterday you sold 38 apples at 25 cents an apple. Your income was $9.50. How much income do you think you will make today?
less income
same income
more income
Use the ← → keys to select your answer. Then press the RETURN key.

Figure 6

After that day's sales, students are then provided with feedback about the accuracy of their prediction (Figure 7). Students are also asked to determine the best price for selling apples (Figure 8).

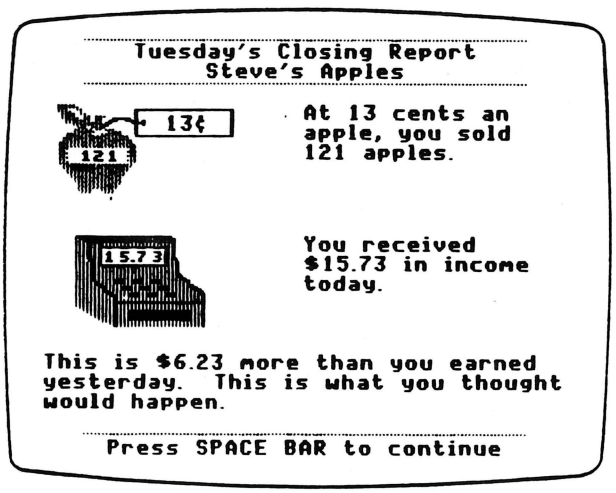

Tuesday's Closing Report
Steve's Apples
13¢
121
At 13 cents an apple, you sold 121 apples.
15.73
You received $15.73 in income today.
This is $6.23 more than you earned yesterday. This is what you thought would happen.
Press SPACE BAR to continue

Figure 7

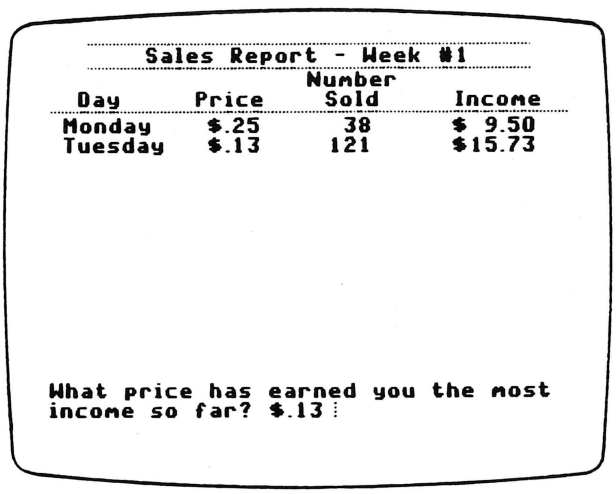


Figure 8

PROGRAM PREVIEW (continued)

After the second day of sales, a graph of the price for apples and the income earned is available in addition to the sales report (Figure 9). At the end of one week's sales, students are asked to determine what the best price for selling apples is (Figure 10). If they are incorrect, they may play for up to an additional three weeks.

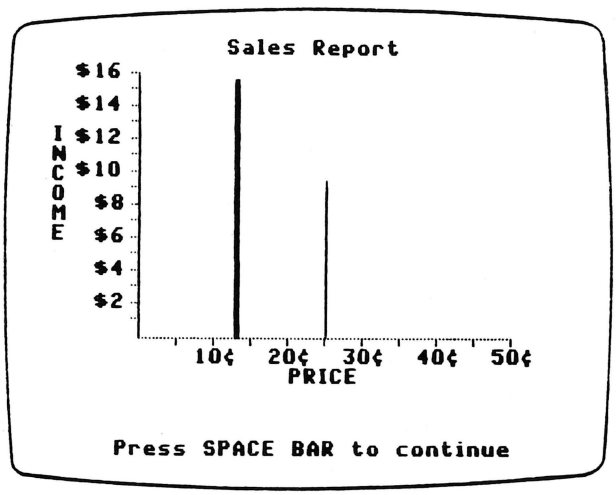


Figure 9

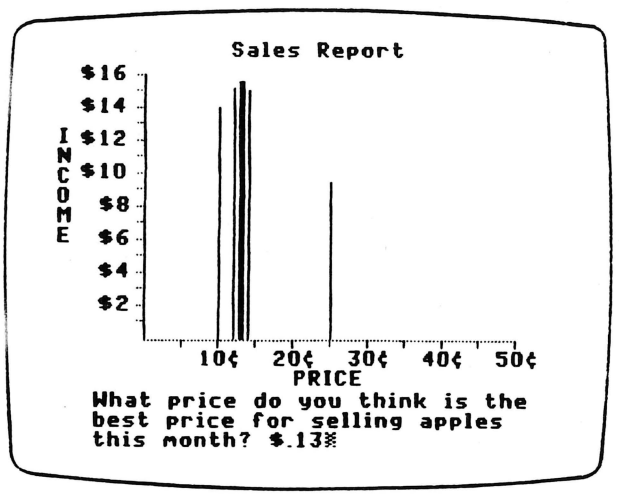


Figure 10

At the end of the program, the best price for selling Apples is displayed with an appropriate message to the student (Figure 11).

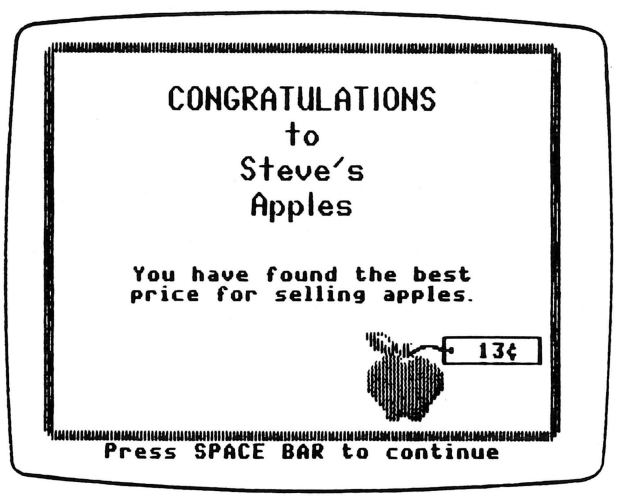


Figure 11

USE IN AN INSTRUCTIONAL SETTING

Preparation

Tell students that before they use SELL APPLES, there are a few terms that they should understand. Write the word "price" on a chalkboard and ask students what it means. Ask students to consider whether buying a bike for a dollar would be a "good" or "bad" price. Also ask if they think it would be a "good deal" if they sold the bike for that same price.

Next, write the word "income" on the board and ask students if they know what it means. Some students may be able to identify with income if they receive a weekly allowance or make spending money by doing odd jobs, such as delivering newspapers and so forth.

You may set the stage for SELL APPLES by having the students form and name companies consisting of three to five students each. After completing the program, the students can use the data from Handout 2 to determine which companies were most successful. Prizes, such as apples for each student in the company or "Johnny Appleseed Award" certificates, can be given to the winning company.

Using the Program

Emphasize that the main purpose of SELL APPLES is to find the best price for selling apples. The best price is that which will earn them the most money. By experimenting with prices, students will learn the relationship between price, sales, and income.

Distribute Handout 1 and ask students to complete it. It is essential that students possess a good understanding of the mathematical principles involved in reading graphs and that they understand the equivalency between amounts of money expressed in dollars and in cents.

If the students are new to using microcomputers, you may first wish to demonstrate the use of the program to the class with the help of a small group of students. Help the students insert the diskette into the disk drive and turn on the computer and monitor. Select the SELL APPLES program from the main menu. Answer **Yes** to the question, "Do you want instructions?" Have one of the students read the instructions aloud to the rest of the class.

Next, ask one of the students to select a price for selling apples and to enter it into the computer. Remind students that the price per apple must be between $.01 and $.50. Encourage students to take turns and solicit suggestions for the best price from the remainder of the class. Continue play until the group discovers the best price for selling apples.

The remainder of the class is now ready to use SELL APPLES. Distribute Handout 2 and ask students to answer the questions when they are finished with the program. Remind students that the computer will select a new "best price" for apples each time they use the program.

USE IN AN INSTRUCTIONAL SETTING (continued)

Follow-up

After running the simulation, discuss the results and apply the decisions to the methods that retail stores use to set prices, such as their cost to buy or make the product, demand for the product, competition, and so forth.

Now is a good time to introduce the students to the concept of expenses. Ask the following questions to illustrate the concept. What would happen if they had to:

1. buy apples from an orchard?

2. rent a stand?

3. hire an employee?

4. purchase a truck to haul the apples?

Another approach is to have the class do some role playing. Divide the class into five groups. Have three of the groups set up apple stands and provide each with an equal supply of play money. The fourth group represents an apple orchard that has a rather limited supply of apples (due to an early frost). The three groups with apple stands will buy their apples from the orchard. You may use real apples or paper apples created by the class to represent their apple supply. The last group represents the public, whose job it is to buy apples with the paper money you have provided.

First, the apple stand companies must individually negotiate with the apple orchard to buy apples with their paper money. After each stand has bought some apples and displayed their selling price, ask the students in the last group (the public) to use their paper money to buy some apples from the various apple stands. Change the variables. For example, you might give the orchard an unlimited supply of apples and the apple stands or customers a very limited supply of money. Conclude by discussing with students the factors that can influence prices.

DESCRIPTION

Acting as class business managers, the students' job in SELL PLANTS is to sell the 1000 tomato plants raised by their class. They have ten days to sell as many plants as possible, while at the same time they will attempt to make the greatest amount of profit. The students determine how much advertising they can afford. The concept of profit becomes clear once expenses are subtracted from the income made that day.

The price is set at fifty cents, so the only means of affecting sales is to vary the amount of advertising. Students will learn that more advertising usually increases sales, but that too much advertising will reduce profits. Finding the correct balance of advertising will help assure students that their class will make enough money to go on a field trip.

As in SELL APPLES, the mathematical concepts of calculating expenses and profit are clearly illustrated, and students are encouraged to closely examine the relationship between advertising and sales.

Curriculum Area:	Social Science
Subject:	Economics
Topic:	Income, Advertising, Expenses, Profit
Type:	Simulation
Grade Range:	3-6
Classroom Use:	Individual, Small Group

LEARNING OBJECTIVES

After using this courseware, the student should be able to:

- define "advertising," "expenses," "income," and "profit";
- determine the relationship between advertising and quantity of plants sold;
- analyze results and make decisions which determine the optimal level of advertising;
- estimate, compare, and determine costs (SELO IV-C-1).*

*Some Essential Learner Outcomes for Mathematics, Curriculum Bulletin 44, Minnesota State Department of Education, 1981, St. Paul, Minnesota.

PROGRAM PREVIEW

In SELL PLANTS the student's job is to discover the best number of signs to use to help sell the plants the class has grown in order to raise money for a field trip. The optimum number of signs is that number which creates the greatest profit.

First time users of SELL PLANTS should read the instructions, paying particular attention to the new terms: "advertising," "profit," and "expenses" (Figure 1). Each plant has a fixed cost of $.02. After each day's sales, students are given a chance to help complete a sales report (Figure 2).

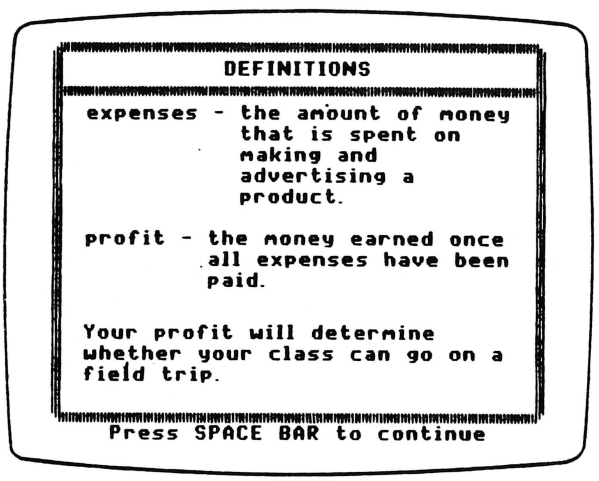

DEFINITIONS
expenses - the amount of money that is spent on making and advertising a product.
profit - the money earned once all expenses have been paid.
Your profit will determine whether your class can go on a field trip.
Press SPACE BAR to continue

Figure 1

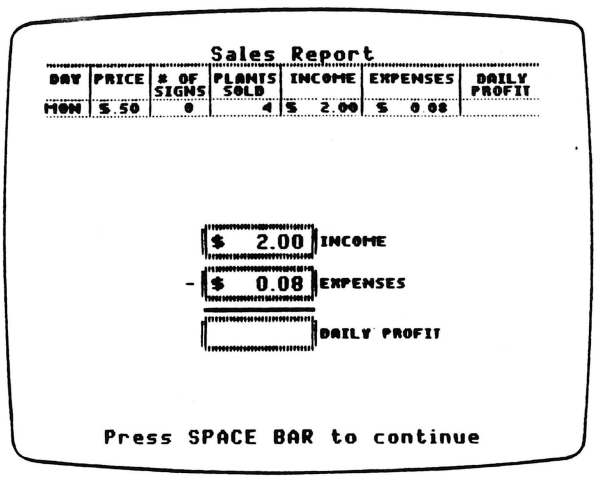

Sales Report
DAY | PRICE | # OF SIGNS | PLANTS SOLD | INCOME | EXPENSES | DAILY PROFIT
MON | $.50 | 0 | 4 | $ 2.00 | $ 0.08
$ 2.00 INCOME
- $ 0.08 EXPENSES
DAILY PROFIT
Press SPACE BAR to continue

Figure 2

In completing the sales report, students need to identify and copy numbers from the table. The computer will calculate expenses and profit for them. After the first day, the students try advertising to help increase sales. They pick a slogan for their signs (Figure 3) and indicate the number of signs they wish to use (Figure 4). Signs cost $1.00 per sign, and each advertising slogan has an equal chance of selling the plants.

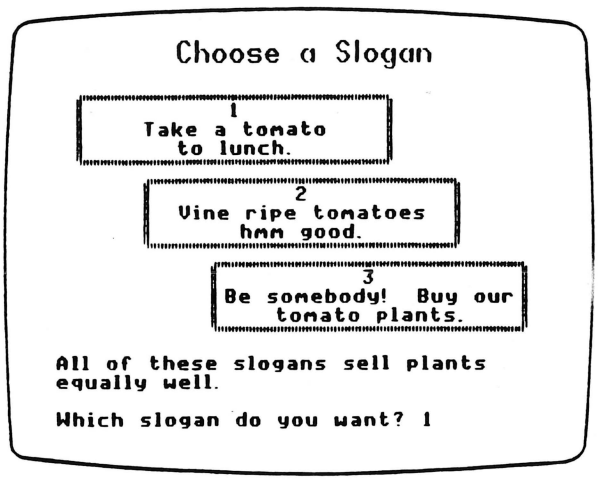

Choose a Slogan
1 Take a tomato to lunch.
2 Vine ripe tomatoes hmm good.
3 Be somebody! Buy our tomato plants.
All of these slogans sell plants equally well.
Which slogan do you want? 1

Figure 3

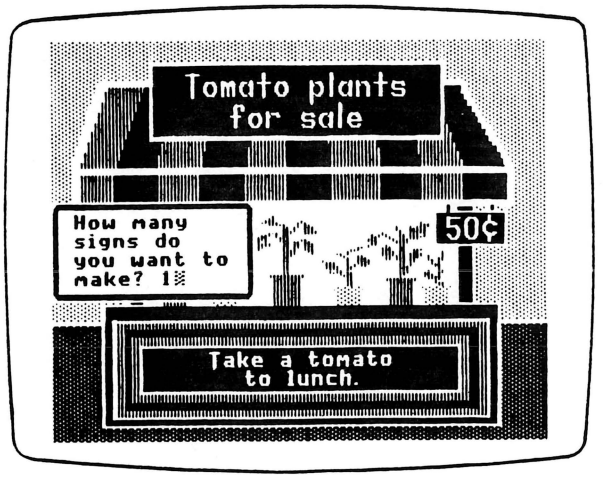


Figure 4

PROGRAM PREVIEW (continued)

After each daily sales report, the students are asked about the effect advertising has on income (Figure 5). At the end of two weeks (ten days) of play, the students are provided a summary statement of the income and expenses (Figure 6).

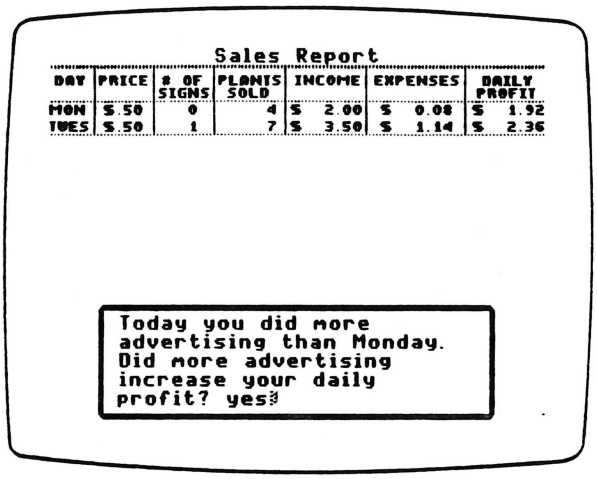

Sales Report
DAY | PRICE | # OF SIGNS | PLANTS SOLD | INCOME | EXPENSES | DAILY PROFIT
MON | $.50 | 0 | 4 | $ 2.00 | $ 0.08 | $ 1.92
TUES | $.50 | 1 | 7 | $ 3.50 | $ 1.14 | $ 2.36
Today you did more advertising than Monday. Did more advertising increase your daily profit? yes

Figure 5

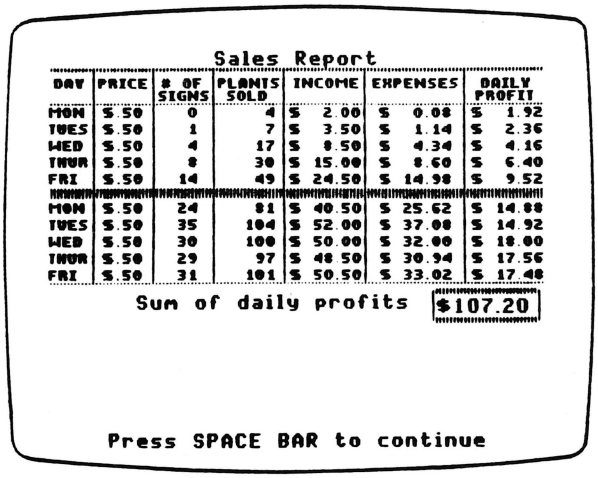


Figure 6

Students are then informed of their total profit for the plant sale (Figure 7). If they sold enough plants without spending too much money advertising, their class will have earned enough profit to go on a field trip (Figure 8).

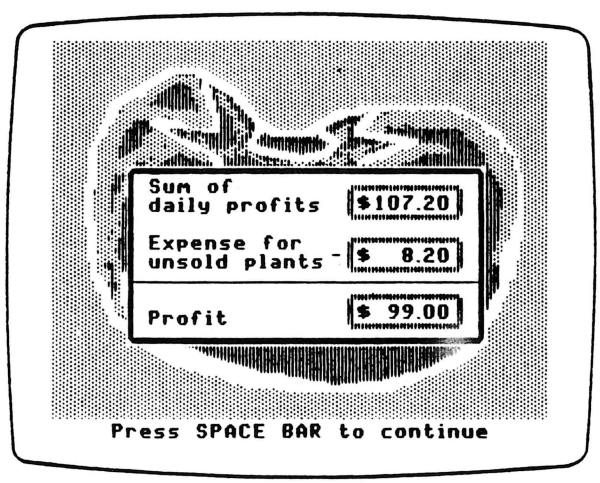


Figure 7

Bravo! Your class did an excellent job selling plants. You earned enough money to go on a field trip for a whole day!
Press SPACE BAR to continue

Figure 8

USE IN AN INSTRUCTIONAL SETTING

Preparation

Initiate a class discussion about advertising. In what ways do people advertise their products? Can all businesses advertise in the same way? What are some of the students' favorite ads?

Discuss what they have learned from the SELL APPLES program. How were price and income defined? Tell them that they will be learning some new business terms: "expenses," "advertising," and "profit."

Remind them that in SELL APPLES they did not have to spend any money for advertising the apples. In SELL PLANTS, the money the class has spent to raise the tomato plants and to make the signs to advertise the plants (expenses) will be subtracted from their income. The money they have left over is their profit. Ask students to complete Handout 3 before running the simulation. Discuss their responses.

Using the Program

If the students have already used the SELL APPLES program, they should be ready to run SELL PLANTS without any difficulties.

Emphasize that in SELL APPLES their job was to find the best price for selling apples. In SELL PLANTS, the price has already been set for them and their job is to find the best number of advertising signs to make. The best number of signs will be those that earn them the greatest profit. Be sure that they understand that profit is different from income. By experimenting with the number of signs they use, they will learn the relationship between advertising, income, and expenses.

After students have completed SELL PLANTS, distribute Handout 4 and have them answer the questions on it. Discuss their responses.

Follow-up

Ask students some questions about advertising. Be sure that you and the students accept each student's opinion.

Tell students that they will have a chance to express their opinion about advertising by voting. If they agree with the statement you read, they are to raise their hand. If they disagree, they are to hold out their hand "thumbs down." If they have no opinion or are not sure, they can fold their arms in front of them. (Voting in this manner will assure that students participate.) Emphasize that there are no right or wrong answers.

USE IN AN INSTRUCTIONAL SETTING (continued)

Questions:

1. How many of you feel that ads sometimes make products seem better than they really are?

2. How many of you have ever been disappointed by something you have bought?

3. How many of you feel that the ads on television or radio are louder than the programs?

4. How many of you regularly read advertisements?

5. How many of you have heard, seen, or read an ad today?

Ask students to share with the class why they voted as they did on any one of these questions.

Next, distribute Handout 5 and ask students to respond to the questions on it. Use their responses as a discussion-starter about some of the ethical issues involved in advertising. Ask them to identify some ways that one could advertise the plants that might be seen as dishonest. What should be done about ads that are misleading or inaccurate?

Students may be interested in looking in greater depth at advertising. As an art project, ask students to create signs that advertise their plant store. Other students might work on slogans. The class can then analyze their posters to see which ones make the most effective advertising.

DESCRIPTION

SELL LEMONADE is the most complex and the most comprehensive of The Market Place programs. Students will get a real feeling for operating a lemonade stand. As with the previous programs, the object is to make the greatest amount of profit. Each day they decide what price a glass of lemonade will sell for, how many advertising signs they will use, and how many glasses of lemonade to make. These decisions are based upon amount of cash on hand and on the rising cost of materials. To add realism to the simulation, random events may happen that affect the potential for customers.

Curriculum Area:	Social Science
Subject:	Economics
Topic:	Price, Income, Advertising, Profit, Cash on Hand
Type:	Simulation
Grade Range:	3-6
Classroom Use:	Individual, Small Group

LEARNING OBJECTIVES

After using this courseware, the student should be able to:

- define "price," "expenses," "profit," and "cash on hand";
- determine the relationship between production, advertising, and pricing in a business;
- apply basic arithmetic skills to practical experiences;
- estimate, compare, and determine costs (SELO IV-C-1).*

*Some Essential Learner Outcomes for Mathematics, Curriculum Bulletin 44, Minnesota State Department of Education, 1981, St. Paul, Minnesota.

PROGRAM PREVIEW

In SELL LEMONADE, the students' task is to make the greatest profit. To do this, students make decisions about what price to charge (as in SELL APPLES) and how many advertising signs to make (as in SELL PLANTS). The concept of production is introduced as students decide how much lemonade to make and respond to changing market conditions, such as increasing and decreasing customer demand and rising costs.

Random events occur which affect the opportunity for sales and add realism to the simulation. Each of these events is discussed below.

Weather forecast versus actual weather. Four basic types of weather can be forecast: overcast and cool, partly cloudy, sunny and hot, or sunny and extremely hot. The forecast type and the percentage chance of rain are as follows:

Forecast:	Chance of Rain:
Overcast and Cool	0% - 100%
Partly Cloudy	0% - 10%
Sunny and Hot	0% - 40%
Sunny and Extremely Hot	0% - 70%

There is an 80% chance that the weather forecast will be correct.

Rain. If the forecast for the day was "overcast" and it rains, then there will be no lemonade sold that day.

If the forecast for the day was anything other than overcast skies, and it rains, then the rain will be in the form of a sudden storm, which appears at a random point during the day. In this case, sales are normal up to the point when the storm occurs, and then there are no sales after the storm.

Road Construction. On any given day, there is a 10% chance that road construction will be occurring.

If there is road construction and it does not rain, then there is a 50% chance that there will be a much higher demand for lemonade than usual (due to a horde of thirsty workers) and an equal chance that sales will be decreased by 80% (due to decreased traffic).

If there is road construction and it **does** rain, then sales for the day will be 80% below normal.

PROGRAM PREVIEW (continued)

Length of Play. As play continues, two things happen. First, the cost of making lemonade increases. On day four, the cost rises from five cents per glass to ten cents per glass. On day eleven, it rises one cent and continues to rise by one cent every ten days thereafter.

Second, the "customer base" of the lemonade stands gradually increases with the days in business. For example, after twenty days, the base demand for lemonade will be approximately two times that of day one. After forty days, it will be about three times greater, after sixty days it will be four times greater, and so forth.

Up to three lemonade stands can be operated simultaneously. This allows students to work in groups and to compare their marketing strategies.

Students open their stands with $4.00 cash in hand that is to be used to purchase goods for making lemonade and advertising signs. They make decisions about how much lemonade to make, how much to advertise, and what price to charge for each glass of lemonade. Once these major decisions have been made, they sit back and watch to see if they have indeed made the best decisions. Will all the lemonade be sold because it is a hot and sunny day? Will a sudden thunderstorm eliminate any possibility of sales? Or will there be road construction creating an opportunity for the workers to buy all the lemonade? Once the day's events are completed, daily and weekly sales are reported.

As in SELL APPLES and SELL PLANTS, important mathematical concepts are reinforced. Eventually students will be able to evaluate their marketing strategies and entrepreneurial talents. They may play for as many days as they wish or until they earn $100.00 in profit or go bankrupt. Up to ten students may save their uncompleted games at intervals and resume them at a later time. When the eleventh game is saved, it replaces the first saved game.

PROGRAM PREVIEW (continued)

First-time users of SELL LEMONADE should read the instruction screens, paying particular attention to the new term introduced, "cash on hand" (Figure 1). Up to three lemonade stands may be operated simultaneously. The sales of one stand will not affect the sales of the other stands. Each stand may have a unique name and advertising slogan.

Each day students get the weather forecast and are told if road construction is occurring. They make decisions about how much lemonade to produce, how many advertising signs to use, and what price to charge per glass of lemonade (Figure 2).

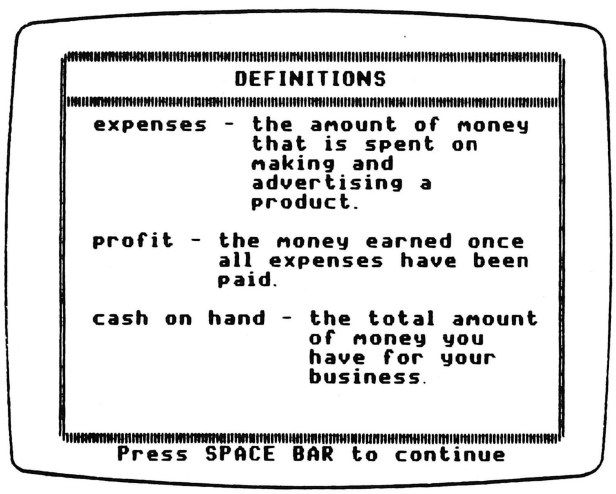

DEFINITIONS
expenses - the amount of money that is spent on making and advertising a product.
profit - the money earned once all expenses have been paid.
cash on hand - the total amount of money you have for your business.
Press SPACE BAR to continue

Figure 1

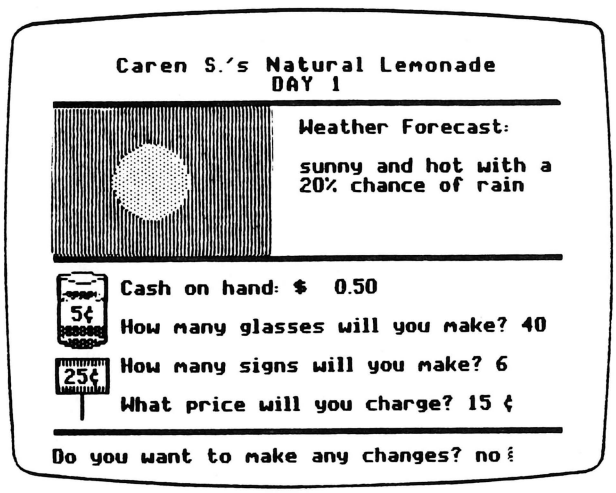

Caren S.'s Natural Lemonade
DAY 1
Weather Forecast:
sunny and hot with a 20% chance of rain
Cash on hand: $ 0.50
How many glasses will you make? 40
How many signs will you make? 6
What price will will you charge? 15 ¢
Do you want to make any changes? no

Figure 2

Before showing the results of the day's sales, students are asked to compute their cash on hand by deducting their expenses from the previous day's cash on hand (Figure 3). During the animation of the passing day, students may estimate the amount of lemonade sold by counting how many pitchers disappear. The day's weather is also depicted (Figure 4).

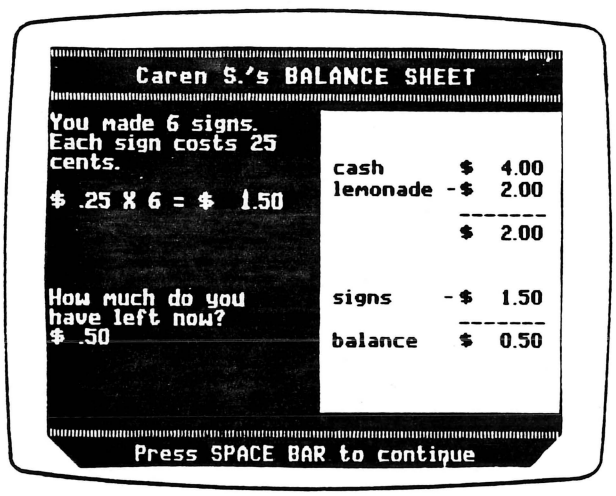

Caren S.'s BALANCE SHEET
You made 6 signs.
Each sign costs 25 cents.
$ .25 X 6 = $ 1.50
How much do you have left now?
$ .50
cash $ 4.00
lemonade -$ 2.00
$ 2.00
signs -$ 1.50
balance $ 0.50
Press SPACE BAR to continue

Figure 3

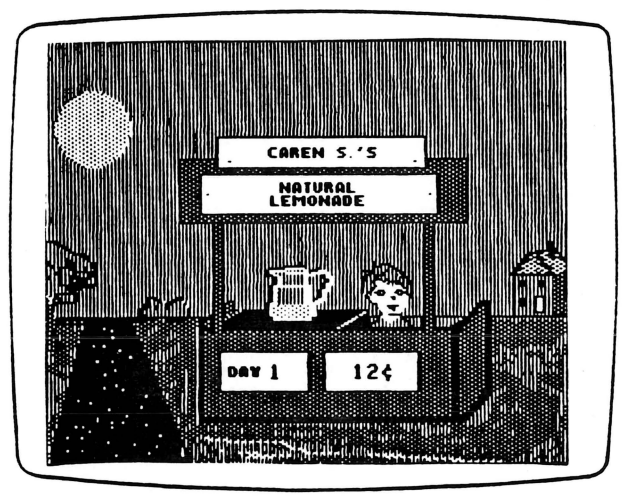


Figure 4

PROGRAM PREVIEW (continued)

At the end of each day's sales, students are presented with a sales report. Calculations of income, expenses, profit, and cash on hand are clearly demonstrated (Figure 5). At the end of five days of sales, the students are given a summary for the entire week (Figure 6).

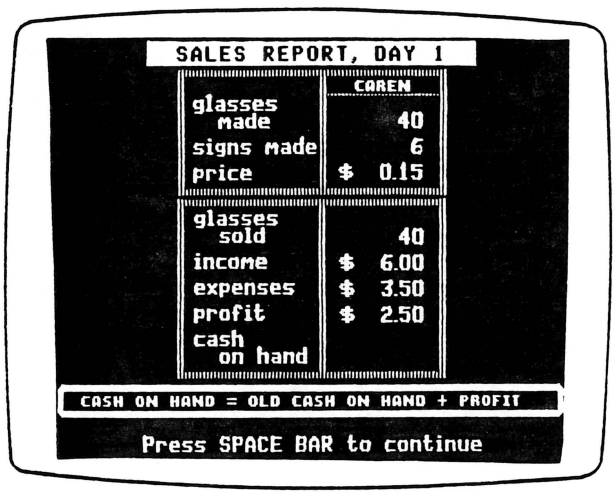


Figure 5

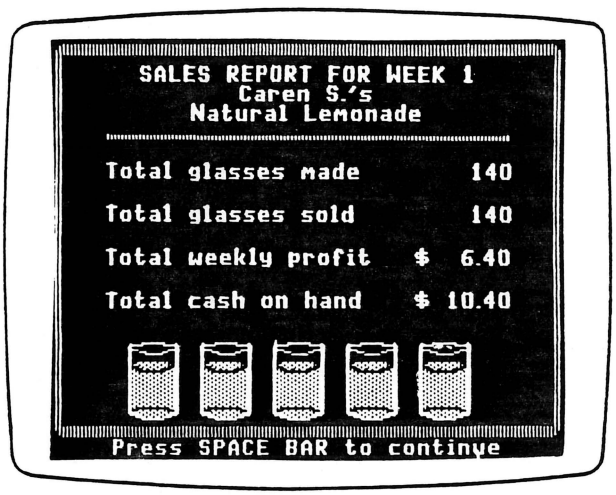

SALES REPORT FOR WEEK 1
Caren S.'s
Natural Lemonade
Total glasses made 140
Total glasses sold 140
Total weekly profit $ 6.40
Total cash on hand $ 10.40
Press SPACE BAR to continue

Figure 6

Events occur which affect sales. For example, after three days of play, the price of producing lemonade increases (Figure 7), and road construction can lead to sales which are much above or below normal (Figure 8).

Students may quit SELL LEMONADE at any time by pressing the Escape (Esc) Key twice. They will then be given an opportunity to save their game. The next time SELL LEMONADE is run, they will be asked if they wish to resume a saved game. If they wish to do this, they will be able to choose the game they wish to continue from a list of previously saved games. Up to ten games may be saved. When the eleventh game is saved, the first game on the list is lost.

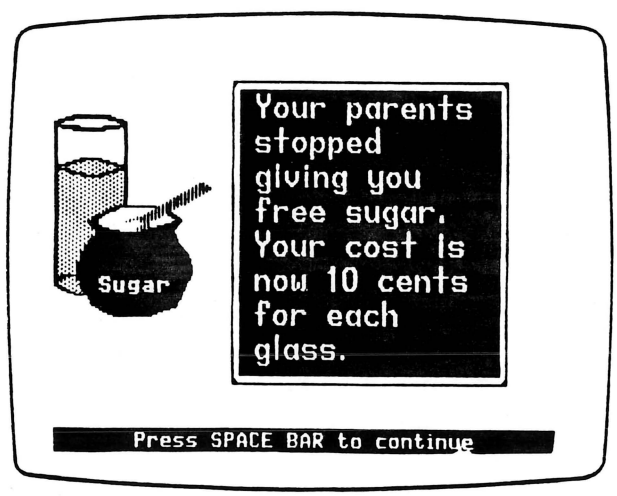


Figure 7

Figure 8

USE IN AN INSTRUCTIONAL SETTING

Preparation

Review with students the terms and concepts they have learned in SELL APPLES and SELL PLANTS: "price," "sales," "expenses," "advertising," and "profit." Tell them that they will now have a chance to put all that they have learned about business to work in SELL LEMONADE.

Introduce the concept "assets." Ask students what they think the term means. Ask if any of them have piggy banks at home. Tell them that the money they have in these banks is part of their personal assets, as is any personal property they may own.

When the students run their lemonade stands, their assets will be described as "cash on hand." Their cash on hand will determine how much lemonade they can afford to make. Each student is initially given $4.00 cash on hand to begin the simulation. Ask students to complete Handout 6 before running the simulation. Lead a discussion about their responses.

Using the Program

If the students have already used the SELL APPLES and SELL PLANTS programs, they should be ready to run SELL LEMONADE without any difficulties.

If you or the students wish to determine a winner, you could use any of the following methods:

A. Set a time limit (perhaps one-half hour or five class periods). The winner at the end of the time period is the person with the most cash on hand.

B. The first student to win a fixed amount of money (say $25.00) is the winner.

C. Any stand that makes money is a winner.

Follow-up

Distribute Handout 7 and ask students to complete it and then facilitate a discussion.

You may also wish to use one or more of these discussion-starters which center on everyday events reported by the news media. Such discussions could help students see that business people must make decisions similar to those they have had to make when selling apples, plants, or lemonade.

USE IN AN INSTRUCTIONAL SETTING (continued)

1. Ask students to bring copies of the local newspaper to class. What stores are advertising sales? Discuss why stores have sales.

2. Look at magazines and TV advertisements. Discuss the qualities of a good advertisement. What graphics are used? What colors are most attractive? What are the names of products and how are they effective? What advertising slogan is written or spoken? Does it get your attention? What is the message of the slogan?

3. Find articles about businesses that are doing well and about those that are doing poorly. Discuss why some businesses are doing well. Is it the management? Are the products in great demand? Why are some businesses having difficulty? What decisions were made that turned out to be bad decisions? How could the company change its strategy?

4. Ask about events that affect businesses, such as a strike, inflation, or a recession. What happens when foreign competitors sell products at a lower price than a company can match?

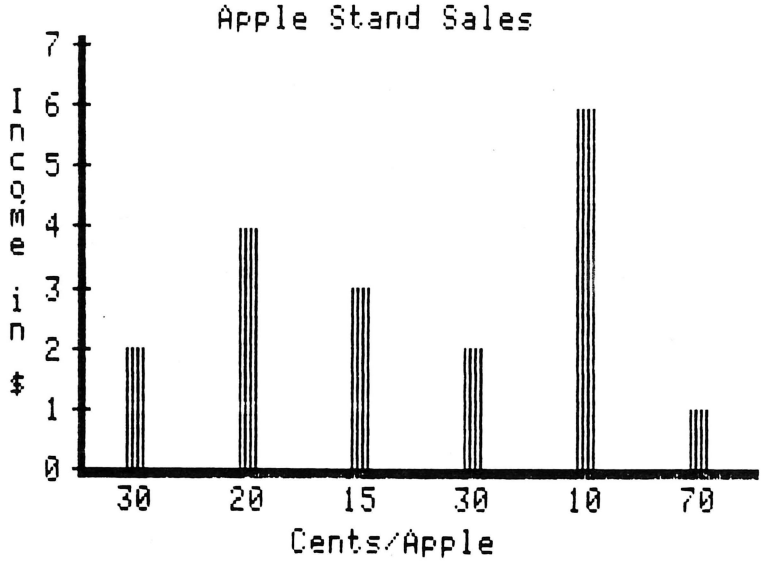
5. Discuss common commerce laws. Why do we have laws against monopolies? What would happen if businesses that sell the same product negotiated to sell their products at the same price? Do you think that would be fair? What is bankruptcy? Should business owners have the chance to declare bankruptcy and to start again?

STUDENT HANDOUTS

BEFORE YOU SELL APPLES

Name _____

1. Use the graph to help you answer these questions.



What price earned the **most** money during the week? _____

What price earned the **least** amount of money during the week? _____

How much money was made when the price was 15 cents per Apple? _____

2. Look at the two columns below. Decide if the amount of money in the left column is more, less, or equal to the amount of money in the right column. Write "more than," "less than," or "equal to" on the blank line between the columns.

Example: $.02	is equal to	2 cents
30 cents is	_____	$.30
45 cents is	_____	$4.50
$2.00 is	_____	200 cents
$99.00 is	_____	990 cents
103 cents	_____	$1.03
$0.54 is	_____	54 cents

mecc

AFTER YOU SELL APPLES

Name _____

Answer these questions after you have used the SELL APPLES program:

1. Were you able to find the "best price" for your apples? _____

   If so, what was it? _____

   How long did it take you to find the best price? _____

2. As you changed prices, how did the number of apples you sold change?

   _____

   _____

3. As the number of apples you sold changed, how did your income change?

   _____

   _____

4. Why do stores want to find the best price for their products?

   _____

   _____

5. Why do stores sometimes raise and lower their prices?

   _____

   _____

BEFORE YOU SELL PLANTS

Name _____

Answer the following questions:

1. What are some ways, other than making signs, that you could advertise a plant store?

_____

_____

_____

2. Do you think it is a good idea for the class to try to sell all of the plants or to have some left over? Why?

_____

_____

_____

3. If you started with 500 plants, and each plant costs $.02 to produce (for fertilizer and seeds), and you sell 200 plants at $.50 each, what is your income, expense, and profit?

Income = _____

Expense = _____

Profit = _____

AFTER YOU SELL PLANTS

Name _____

Answer the following questions:

1. Why did advertising affect the number of plants you sold?

_____

2. If you kept making more and more signs, do you think you would continue to sell more plants?

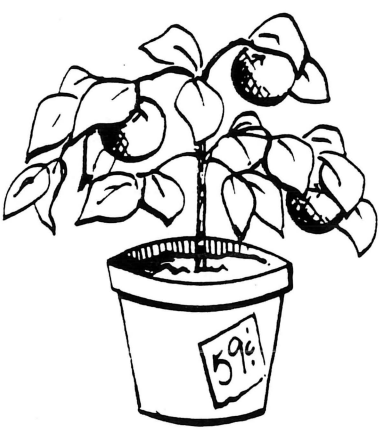
_____

3. Would you continue to make more profit with more signs?

_____

4. How did you decide on the best amount of advertising to use?

_____



ADVERTISING: WHAT DO YOU THINK?

Name _____

Directions:

Put a 1 by the choice that you like best, a 2 by your second choice, and a 3 by your last choice.

A. Which kind of advertising do you pay the most attention to?

_____ radio

_____ television

_____ newspapers

B. If you wanted to buy something, how would you get information about the thing you wanted to buy?

_____ ask a friend or parents

_____ ask the salesperson in the store

_____ read ads for the different brands of what you wanted to buy

C. What is the most important thing to consider when buying something?

_____ price

_____ how well something is made

_____ how well-known the company is that made the product

Circle the answer that best describes the way you feel:

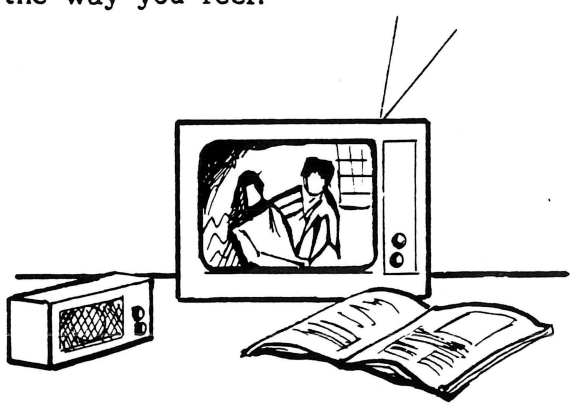
I think that ads are:

always truthful

mostly truthful

mostly lies

always lies



BEFORE YOU SELL LEMONADE

Name _____

1. List some ways you could advertise a real lemonade stand.

_____

_____

2. What types of expenses do you think you might have in running a lemonade stand?

_____

_____

3. If you set a price for your lemonade at $.05 per glass and you sell 25 glasses, how would you calculate your income?

_____

_____

4. If you had a profit of $.50, did you make money or lose money that day?

_____

_____

5. If you sell 30 glasses of lemonade at $.06 each and have expenses of $1.20, what is your profit for that day?

_____

_____

6. In managing a lemonade stand, is it better to make a lot of lemonade and have some left over or make a little and sell it all? Why?

_____

_____

7. Is it better to charge a low price and sell a lot of lemonade or to charge a higher price and sell less lemonade? Why?

_____

7a

AFTER YOU SELL LEMONADE

Name _____

Answer the questions below as if you were setting up a lemonade stand to make money for yourself.

1. What price would you ask for your lemonade? _____

_____

2. Would you make any advertising signs to put up around the neighborhood? Why or why not?

_____

_____

3. Would you make the same amount of lemonade each day regardless of the weather forecast? Why or why not?

_____

_____

4. In what ways, other than by using signs, could you advertise your lemonade stand?

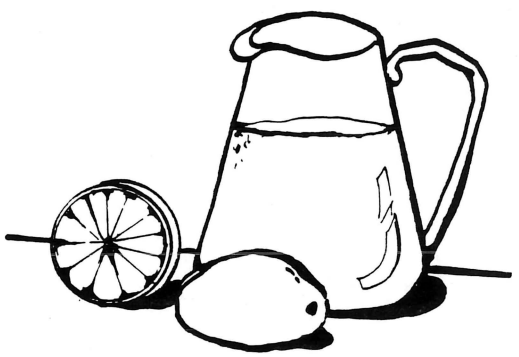
_____

_____

5. How could you cut down on your expenses so that you would make a greater profit?

_____

_____



AFTER YOU SELL LEMONADE
(continued)

6. Would you rather operate a lemonade stand by yourself or with a group? What would be the advantages and disadvantages of each?

_____

_____

7. What do you think would happen if another lemonade stand opened across the street selling lemonade for $.02 per glass less than your own?

_____

_____

8. What would you do to change your business if the other lemonade stand kept cutting its price to stay below yours?

_____

_____

APPENDICES

CREDITS

The Market Place was produced by a MECC development team which included Caren Stelson, Steve Taffee, Philip Bouchard, H. Bill Way, John Krenz, Paul Wenker, Susan Russell, Sherry Luedloff, Charolyn Kapplinger, and Shane McCarron.

The three programs in The Market Place are adapted from models originally authored by Robert Jamison under a MECC-UNIVAC Mini-grant program.

TO THE READER:

MECC has made every effort to ensure the instructional and technical quality of this courseware package. Your comments—as user or reviewer—are valued and will be considered for inclusion in any future version of the product. Please address comments to:

MECC Courseware Development
3490 Lexington Avenue North
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